



Board of Administration
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To: The Honorable Denise Ducheny, Chair
Senate Budget and Fiscal Review Committee
Joint Committee on Legislative Budget
State Capitol, Room 5019
Sacramento, CA 95814

The Honorable Michael Machado, Chair
Senate Budget and Fiscal Review Subcommittee #4
State Capitol, Room 5066
Sacramento, CA 95814

The Honorable John Laird, Chair
Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

The Honorable Juan Arambula, Chair
Assembly Budget Subcommittee #4
State Capitol, Room 2141
Sacramento, CA 95814

Subject: CalPERS' Fiscal Year 2008-09 Budget Proposals (First Reading)

Enclosed is information regarding the California Public Employees' Retirement System's (CalPERS') 2008-09 proposed budget, which was accepted by the Finance Committee (Committee) as a first reading at the March 18, 2008, meeting. The Committee recommended that the Board of Administration (Board) approve the 2008-09 budget of \$331.3 million. This is an increase of \$2.4 million over the 2007-08 mid-year budget. The Board subsequently approved the budget as a first reading at its March 19, 2008, meeting. If approved by the Committee and Board at the April meetings, this budget will become effective July 1, 2008. The agenda item, as presented to the Finance Committee and Board, is enclosed for your reference.

In addition, the Board approved \$143.3 million in funding for the CalPERS Enterprise Projects Budget, and \$36.2 million in funding for the CalPERS Headquarters Building Account (CHBA) Budget. The following attachments contain the details for the 2008-09 Budget:

Attachment 1	Proposed FY 2008-09 Budget
Attachment 2	Administrative Budget Summary by Object of Expenditure
Attachment 3	Summary of Formal Budget Requests
Attachment 3.1	Details of Formal Budget Requests
Attachment 4	Budget by Fund Source
Attachment 5	Summary of Budgeted Positions
Attachment 6	Budgets by Basis Points
Attachment 6.1	Six Year Basis Points History
Attachment 7	CalPERS Headquarters Building Account Budget
Attachment 8	Projected Investment Expenditures
Attachment 9	Directed Brokerage Program Estimated Commissions and Expenditures
Attachment 9.1	Directed Brokerage Participants
Attachment 9.2	Estimated Directed Brokerage Expenditures by Category and Vendor
Attachment 10	Third Party Administrators

This information is being submitted in accordance with Budget Control Language included in the Budget Act of 2007.

If you or your staff have any questions or concerns with this report, please contact me at (916) 795-3825, or Gloria Moore Andrews, Deputy Executive Officer, Operations, at (916)795-1251, or gloriamoore_andrews@calpers.ca.gov.

Sincerely,

FRED BUENROSTRO
Chief Executive Officer

Enclosures

cc: Brian Annis, Consultant
Senate Budget and Fiscal Review Committee
Senate Budget and Fiscal Review Subcommittee #4

Christopher Woods, Consultant
Assembly Budget Committee
Assembly Budget Subcommittee #4

Rosario Marin, Secretary
State and Consumer Services Agency

Michael Cohen, Director
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Office of the Legislative Counsel
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Jody Martin, Consultant
Joint Legislative Budget Committee